

Message Text

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C O N F I D E N T I A L BRASILIA 8742

PLS PASS DEPT OF LABOR

E.O.11652: GDS

TAGS: ELAB,BR

SUBJECT: AIFLD AND THE GEISEL GOVERNMENT

REFS: A. SAO PAULO 2153 B. BRASILIA 6438

1. IN KEEPING WITH CASP 1974, EMBASSY RECOMMENDED THAT THE AIFLD PROGRAM BE CONTINUED AT A FUNDING LEVEL OF APPROXIMATELY 300,000 DOLS PENDING A CLEAR INDICATION FROM BRAZILIAN MINISTER OF LABOR ARNALDO PRIETO CONCERNING ANY POSSIBLE CHANGE IN THE GOB ATTITUDE TOWARD AIFLD ACTIVITIES. THE INAUGURATION OF THE GEISEL GOVERNMENT IN MARCH 1974 WITH ITS POTENTIAL FOR A SOMEWHAT LIBERALIZED POLITICAL PROCESS AND THENOMINATION OF PRIETO AS MINISTER WITH HIS OBVIOUS FRIENDLINESS TO THE U.S. , CLOSE CONTACT WITH EMBASSY OFFICERS AS A FEDERAL DEPUTY AND HIS LIBERAL POLITICAL IDEAS, LED THE EMBASSY TO BELIEVE THAT THERE WAS SOME CHANCE THAT THE BARE TOLERANCE OF FORMER MINISTER JULIO BARRATA FOR THE AIFLD PROGRAM WOULD UNDERGO SOME POSITIVE CHANGE.

2. SHORTLY AFTER THIS SWEARING-IN, PRIETO WAS QUIRIED BY
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THE POLITICAL COUNSELOR AND THE LABOR ATTACHE CONCERNING

THE POSSIBILITY OF A MODEST AND GRADUAL EXPANSION OF THE AIFLD PROGRAM IN BRAZIL. THE HISTORY OF AIFLD-GOB RELATIONS WAS REVIEWED AT THE TIME AND PRIETO COMMITTED HIMSELF TO STUDYING THE AIFLD SITUATION AND INFORMING THE EMBASSY IF HE DETECTED ANY RELAXATION OF PREVIOUS STICTURES. THE MINISTER JOKINGLY STATED THAT HE WOULD LET US KNOW WITH "A WINK" IF NECESSARY. IN RECENT CONVERSATIONS WITH EMBASSY OFFICERS, MINISTER PRIETO GAVE WHAT CAN ONLY BE INTERPRETED AS A NEGATIVE RESPONSE TO ANY EXPANSION OF AIFLD ACTIVITIES.

3. IN AN INITIAL CONVERSATION WITH THE POLITICAL COUNSELOR IN A SOCIAL SETTING, THE MINISTER STATED THAT HE THOUGHT IT BEST TO "POSTPONE INDEFINITELY THE MATTER WE HAD DISCUSSED". IN A MORE FORMAL CALL IN THE MINISTER'S OFFICE, PRIETO DISCOURSED AT LENGTH ON THE PROBLEM OF LABOR LEADERS WHO, AFTER VISITING OR TRAINING IN A "FOREIGN ENVIRONMENT", SOUGHT OR HOPED TO APPLY ALIEN METHODOLOGY TO BRAZILIAN PROBLEMS. HE POINTED OUT THAT THE RESOLUTION OF THE "GREAT TASKS" CONFRONTING BRAZIL, DISTRIBUTION OF INCOME, INFLATION, AND GENERAL ECONOMIC DEVELOPMENT, REQUIRED A TEAM EFFORT. THE GOVERNMENT, GIVEN THE DISPARITY OF ECONOMIC PROGRESS IN BRAZIL,CANNOT ALLOW ANY ONE GROUP TO USE SPECIAL ADVANTAGE TO ADVANCE ITSELF OR A CAUSE IT CHAMPIONS,LEAVING THE OTHER GROUPS OF THE BODY POLITIC IN ITS WAKE. HE SPECIFICALLY REFERRED TO HIS PREVIOUS CONVERSATION WITH THE POLITICAL COUNSELOR AND PRIVATELY SUGGESTED "THAT THINGS REMAIN AS THEY ARE."

4. PRIETO, WHO MANY LABOR LEADERS FEEL IS GENUINELY INTERESTED IN IMPROVING THE LOT OF THE WORKINGMAN, SINCE ASSUMING OFFICE HAS AT LEAST BEEN TALKING A GOOD FIGHT ABOUT EXTENDING TANGIBLE BENEFITS TO THE WORKER AND, WITHIN PRE-DETERMINED LIMITS, RE-INTEGRATING THE LABOR SECTOR INTO NATIONAL DECISION MAKING PROCESS. NEVERTHELESS, THERE IS STILL AMONG MANY SUPPORTERS AND MAKER OF THE REVOLUTION THE BELIEF THAT LOOSENING

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THE POST-REVOLUTIONARY RESTRICTIONS ON THE LABOR MOVEMENT IS ANATHEMA. (SEE SAO PAULO 2153.) ON NOVEMBER 8, PRESIDENT GEISEL WASQUOTED AS SAYING TO A GROUP OF LABOR CONFEDERATION LEADERS, "WE ARE ...AGAINST THOSE WHO SEEK TO MAKE THE SYNDICATES INTO POLITICAL STEPPING STONES AND EVERY TIME THAT THE SYNDICATES PERMIT THEMSELVES TO BE PERVERTED FOR THIS PURPOSE THE GOVERNMENT WILL BE OBLIGED TO ACT. WE ARE

INTERESTED IN PRESERVING THE WHOLESOME SPIRIT WHICH SHOULD PREVAIL IN THIS AREA. IT IS CUSTOMARILY SAID THAT THE REVOLUTION IS AGAINST WORKERS AND THE SYNDICATES, BUT IN TRUTH IT IS JUST THE REVERSE. THE REVOLUTION DOES NOT TOLERATE THE SYNDICATES' TRANSFORMING THEMSELVES INTO INSTRUMENTS OF PARTY-POLITICAL RADICALIZATION INSTEAD OF FOLLOWING A POLICY OF DEFENDING WORKERS..."

5. COMMENT: THE EMBASSY CONSIDERS PRIETO'S STATEMENT AUTHORITATIVE AND BELIEVES THAT AN EXPANSION OF AIFLD ACTIVITIES IN THE FORESEEABLE FUTURE IS OUT OF THE QUESTION. IT IS OUR VIEW THAT WE MUST BASE THE OPERATIONAL PHILOSOPHY OF CONTINUING AIFLD OPERATIONS ON OUR PRESENT CONCEPT OF MAINTAINING A TOE HOLD IN THE BRAZILIAN LABOR SECTOR THROUGH CONTINUATION OF SUPPORT FOR AIFLD/ICT TRAINING ACTIVITIES AT CURRENT PROGRAM LEVELS, WHILE EFFECTING ECONOMIES WHEREEVER POSSIBLE. IN THIS WAY, WE MAY LOOK TOWARD THE DAY WHEN POLITICAL CONDITIONS HAVE CHANGED SUFFICIENTLY SO THAT THE RELATIONSHIPS ESTABLISHED DURING THE INTERIM MAY BE UTILIZED FOR A MORE NORMAL OPERATING SITUATION. CRIMMINS

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